

Message Text

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PAGE 01 HALIFA 00547 022023Z

ACTION EUR-12

INFO OCT-01 ISO-00 ERDA-07 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FEAE-00 FPC-01 H-02 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-15
OES-07 SP-02 SS-15 STR-05 TRSE-00 ACDA-12 PA-02
PRS-01 /122 W

-----102194 022026Z /73

R 022000Z NOV 77

FM AMCONSUL HALIFAX

TO SECSTATE WASHDC PRIORITY 1896

INFO AMEMBASSY OTTAWA

AMCONSUL CALGARY

UNCLAS HALIFAX 0547

E O 11652: N/A

TAGS: ENRG EIND PLOS CA

SUBJECT: OFFSHORE OIL: NEWFOUNDLAND PUBLISHES

OIL AND GAS REGULATIONS

REF: HALIFAX 0242, 0546 NOTAL

1. FOLLOWING PUBLICATION OCT 24 OF NFLD S OFFICIAL OIL AND GAS REGULATIONS, PROVINCIAL OFFICIALS BEGAN A SERIES OF DISCUSSIONS IN CALGARY WITH OIL COMPANY REPRESENTATIVES TO INFORM THEM OF THE NEW REGULATIONS, INCLUDING THEIR OPPORTUNITY TO FILE APPLICATIONS FOR FIRST ROUND DRILLING PERMITS. FIRST ROUND PERMITS WILL "TAKE CARE OF ACREAGE (PRESENTLY) UNDER FEDERAL PERMIT" ACCORDING TO PROVINCIAL ENERGY MINISTER BRIAN PECKFORD. IT IS EXPECTED THAT THE COURT CASE ON OWNERSHIP OF OFFSHORE MINERALS (HALIFAX 0546) WILL BE SETTLED BEFORE SECOND ROUND PERMIT NEGOTIATIONS BEGIN.

2. NEW REGULATIONS ARE SOMEWHAT MORE GENEROUS TO THE OIL COMPANIES THAN ORIGINALLY PROPOSED LAST SPRING. PARTICULARLY NOTEWORTHY IS
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REVISION OF REGULATIONS WHICH WILL EXEMPT SMALL- TO MEDIUM-SIZED FIELDS FROM THE SLIDING SCALE ROYALTY PAYMENTS PREVIOUSLY PROPOSED. THE SLIDING SCALE ROYALTY WILL NOW HIT ONLY BIG "BONANZA" FIELDS. OTHER CHANGES ARE OUTLINED IN PUBLISHED MATERIAL POST POUCHING TO EUR/CAN AND EMBASSY OTTAWA.

3. OIL COMPANY REACTION TO NEW REGULATIONS, AS REPORTED
IN PRESS, SEEMS GENERALLY FAVORABLE. GULF OIL
EXECUTIVES VISITING ST. JOHN S INDICATED THAT EASTCAN
EXPLORATION (WHICH IS PARTIALLY OWNED BY GULF) IS
LIKELY TO RESUME DRILLING OFF LABRADOR NEXT YEAR.
WHETHER OTHER COMPANIES WILL NOW JOIN EASTCAN
REMAINS TO BE SEEN. THE COMPANIES HAVE FROM 60 TO
90 DAYS FROM OCT 24 IN WHICH TO APPLY FOR FIRST
ROUND PERMITS.

4. DRAFTER: JHMOORE.

MOORE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: OILS, PROVINCE, LAW, PETROLEUM PRODUCTION
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977HALIFA00547
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Document Unique ID: 00
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Executive Order: N/A
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Review Exemptions: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
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Secure: OPEN
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TAGS: ENRG, EIND, PLOS, CA
To: STATE
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